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UKRAINE

Foreign Direct Investment Training Program Certifies the Last Group of Its Graduates

The graduation ceremony on November 20, for investment professionals closed the books on this two-and-a-half-year effort of USAID's *Local Economic Development (LED) Project*.

In a festive afternoon ceremony, the LED Project and the *Ukrainian Center for Foreign Investment Promotion (InvestUkraine)* certified 24 trainees, who passed the final exams in October.



Dušan Kulka, LED Project FDI Manager: "A synergy between the strategic planning and the implementation of strategic plans developed under the LED project was an extremely important factor for the impact of the FDI training."

LED Project Chief of Party Howard Ockman congratulated the graduates, noting that the last class was the best in terms of grades. "You've accomplished a great thing for yourselves and your country," he said.

"With the skills that you and your predecessors gained, if you all work together, if you all continue to share ideas, investors will be coming to Ukraine notwithstanding the economic situation in the world," said Mr. Ockman.

The official part of the event wound up in a presentation made by LED Project FDI Manager Dušan Kulka, who cited results and impacts of the FDI training activities. He said that 111 trainees of 125 enrolled have passed final exams successfully and have been graduated. These include 17 staff members of *InvestUkraine*, three individuals who

work in *InvestInRivne*, a government regional investment promotion agency, 10 independent consultants, 12 employees of oblast state administrations, three graduates from various central institutions, and 66 representatives of cities.

According to Mr. Kulka, the trainees have managed to identify approximately 250 potential industrial sites, including 33 sites totaling 1,500 hectares that are ready for investments, and have facilitated an impressive number of investment deals. "Our trainees have facilitated 20 deals worth \$1.5 billion. Those investors created or committed to create over 10,000 jobs," he said.

Launched in 2006 FDI program was the first initiative to train FDI professionals from local governments and public administration agencies. The program, which included four seminars and a study tour to the Czech Republic, was developed and delivered by Ukrainian, Czech, Scottish and U.S. experts.

Ukrainian Media Partnership Launches a New Campaign to promote Safer Sex Practices

On November 28, 2008 the *Ukrainian Media Partnership to Combat HIV/AIDS* project, supported by USAID and implemented by IREX in collaboration with Transatlantic Partners against AIDS (TPPA), held a Press Club for Kyiv journalists called *StopAIDS: Affects Everyone*. The event publicized collaborative efforts between government, business and non-governmental sectors in fighting the HIV/AIDS as well as presented a new awareness campaign on safer sex practices. Alla Sherbynska, Director of the *Ukrainian AIDS Center*, Anna Zemskova, Editor in Chief of *Cosmopolitan*, Luc Chenier, Marketing and PR Director of the *MTV Ukraine TV-Channel*, Kostynatyn Ryzhkov, *Ukrainian Media Partnership Combat HIV/AIDS* Manager, participated at the event.

Alla Sherbynska, Director of the *Ukrainian AIDS Center*, provided an overview of the trends and current situation with the HIV/AIDS epidemic in Ukraine and globally, shared successes and

shortcomings of the effective National HIV/AIDS program.

New cross-sector partnership established within UMP by *Sanoma Magazines Ukraine* and *MTV Ukraine TV-Channel* presented the information campaign - *Sex Has to Be Protected*. The campaign aims to promote safe sexual practices for Ukrainian youth by involving well-known Ukrainian celebrities - a famous Ukrainian soccer player Vladislav Vaschuk, popular musicians - Valeriy Kharchyshyn, Andriy Khlyvnyuk and Dmytro Shurov, MTV anchors and representatives from the *Sanoma Magazines Ukraine* – as its endorsers.



A poster from the information campaign "Sex Has to Be Protected" urges youth to use safer sex practices to protect themselves from HIV/AIDS.

Collaboration between the *Ukrainian Media Partnership to Combat HIV/AIDS* with the *Sanoma Magazines Ukraine*, one of Ukraine's largest media holdings that publishes *Cosmopolitan*, *Men's Health*, *Story*, *Prevention* and *Domashniy Ochag* magazines, and *MTV* blossomed at the end of 2008. The partners expanded their original idea to produce print PSAs on safer sex practices to include five TV PSAs. UMP played a major role in facilitating and managing this critical project. The *Sanoma Magazines Ukraine* provided funding to produce seven print and five video PSAs; *MTV* committed their technical expertise and resources to ensure the high quality of materials. *Coca-Cola Company* supported production of metro lights posters, city lights and radio PSAs to complement this effort and the *German Society for Technical*

Cooperation supported production of 40,000 leaflets that were distributed on December 1, the *World AIDS Day*, in major Ukrainian cities.

The State Takes Over Responsibility for ARV Therapy to 6,070 Patients

In a December 1 press conference dedicated to the International AIDS Day, the *International HIV/AIDS Alliance in Ukraine* reported a continued decrease in AIDS incidence in Ukraine due to large scale antiretroviral therapy, complimented by care and support services provided by local community-based organizations - partners of *Alliance-Ukraine*. Only 3,589 new AIDS cases were registered over 10 months of 2008 – a 4% reduction compared to 3,743 cases for the same period of 2007.

At the joint press-conference with the Ministry of Health of Ukraine and *All-Ukrainian Network of People Living with HIV*, Andrey Klepikov, the Head of the *Alliance-Ukraine*, stated primarily due to the support from the Global Fund the number of HIV-positive patients receiving antiretroviral therapy through the state funding increases from merely 137 people in March 2004 to 10,000 in 2008.

Minister of Health Vasyl Knyazevych confirmed the government's commitment to fighting HIV/AIDS and announced that from December 1, 2008, the state would take full responsibility for continuing treatment of the 6,070 HIV-positive patients, who are currently receiving ARV therapy through a Global Fund grant. Thus the total number of patients receiving ARV drugs provision in 2009 within the National 2009-2013 HIV/AIDS Programme will be 11,906.

Ukrainian Regulators Complete Asset Management Compliance and Reporting Training

Ukrainian regulators from the Securities and Stock Market State Commission (SSMSC) and State Commission for Regulation of Financial Services Markets (FSR) completed an Asset Management Compliance and Reporting Training course on December 1-4.

This training course is a key part of USAID's *Capital Markets Project's* mandate to assist local specialists in building their capacity necessary to perform the functions of modern regulators – providing their staff with an understanding of the risks associated with the construction and management of asset portfolios.

Using the French supervisory system as a reference point, Patrick Vlaisloir, a Senior Attorney and Asset Management Compliance and Reporting Specialist, described the regulatory system as an 'ecosystem' where the different actors control one another. Mr. Vlaisloir tapped into his own experience as an investigator with the French Securities and Exchange Commission, sharing some of his case-work with the audience to make his point.



Asset Management Compliance Specialist Patrick Vlaisloir and SSMSC Commissioner Serhiy Biryuk present certificates to training participants.

The Ukrainian reporting professionals were particularly interested in Mr. Vlaisloir's analysis of the concept of conflict of interest, legal requirements for shareholders of asset management companies, and reporting and detection of suspected money laundering schemes.

Banks Using Electronic Disclosure System Score High in Standard and Poor's Yearly Transparency Survey

Standard & Poor's (S&P) international rating agency, jointly with the *Financial Initiatives Agency* (AFI), released the results of their Third Annual Survey of information transparency scores among 30 major banks in Ukraine at a presentation held in Kyiv.

According to S&P, three out of thirty banks use the Electronic System of Comprehensive Information Disclosure (ESCRIN), a key technology introduced by USAID's *Capital Markets Project*, to inform investors and regulators about their activities. *Alfa-Bank*, which began using ESCRIN for disclosures this year, came in second for overall transparency. *Kreditprombank* and *Khreschatyk*, two other banks using ESCRIN, scored among the top five in terms of reporting to their regulators - the *National Bank of*

Ukraine and the Securities and Stock Market State Commission (SSMSC).

Developed by the SSMSC with the assistance of USAID's *Capital Markets Project* experts, ESCRIN, though still at a pilot-project stage, is gradually gaining recognition in the industry and currently has 27 companies participating.

According to AFI's experts the "electronic disclosure system has a positive impact on how international experts assess [a bank's] transparency." Another advantage of ESCRIN system is that it gives access not only to financial and reporting indicators, but also provides narrative descriptions of their business activities.

Presenting the survey results, AFI analysts noted that "Ukraine's banking system has recognized the public benefits associated with public disclosure and that efforts by regulators began to yield results." The desire to tap into external markets for capital also drove banks' decision to open up.

Beeline Joins IOM Memorandum of Cooperation in Combating Human Trafficking

On October 17, the IOM Mission in Ukraine and the company "*Ukraiinsky Radiosystemy*" (Beeline) signed a Memorandum to combat human trafficking. The purpose of this joint initiative is to increase the safety of Ukrainians traveling abroad, and to protect their rights.

Beeline will provide mobile phone users with a hotline number (527) that can be accessed free of charge. The hotline provides all the necessary and reliable information on the topics of legal migration and consequences of illegal migration. The hotline can also be reached free of charge from stationary phones by dialing (8-800-505-50-10).

"Beeline joins this initiative to educate Ukrainians on how to avoid human trafficking traps. As a socially responsible company, we cannot ignore challenges that the modern society faces, and human trafficking is definitely one of them," stated Iryna Lelichenko, Beeline's PR Director.

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